

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Wakefield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 2, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

You indicated the Housing Authority makes its appropriation on July 1 each year. We will adjust the Housing Authority's allocation in our FY16 appropriation letter to reflect a July 1 payment date.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

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Enc.



Wakefield Retirement System
January 1, 2014 Actuarial Valuation

5.0% Total Increasing to FY20 then Amortization of Unfunded Liability 4.0% increasing until FY35

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Amort. Of</u> <u>2010 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2015	1,519,913	90,000	2,990,602	4,289	70,788	7,330	4,682,921	55,887,050	
2016	1,588,309	90,000	3,156,352	4,289	70,788	7,330	4,917,067	56,927,589	5.0%
2017	1,659,783	90,000	3,330,731	4,289	70,788	7,330	5,162,920	57,871,277	5.0%
2018	1,734,473	90,000	3,514,186	4,289	70,788	7,330	5,421,066	58,701,369	5.0%
2019	1,812,525	90,000	3,707,188	4,289	70,788	7,330	5,692,119	59,399,341	5.0%
2020	1,894,088	90,000	3,914,519		70,788	7,330	5,976,725	59,944,732	5.0%
2021	1,979,322	90,000	5,122,625			7,330	7,191,947	60,314,963	20.3%
2022	2,068,392	90,000	5,327,530			7,330	7,485,922	59,495,999	4.1%
2023	2,161,469	90,000	5,540,631			7,330	7,792,101	58,394,144	4.1%
2024	2,258,735	90,000	5,762,256				8,110,992	56,978,698	4.1%
2025	2,360,379	90,000	5,992,747				8,443,125	55,224,078	4.1%
2026	2,466,596	90,000	6,232,457				8,789,052	53,086,657	4.1%
2027	2,577,592	90,000	6,481,755				9,149,347	50,526,893	4.1%
2028	2,693,584	90,000	6,741,025				9,524,609	47,501,789	4.1%
2029	2,814,795	90,000	7,010,666				9,915,461	43,964,602	4.1%
2030	2,941,461	90,000	7,291,093				10,322,554	39,864,539	4.1%
2031	3,073,827	90,000	7,582,736				10,746,563	35,146,429	4.1%
2032	3,212,149	90,000	7,886,046				11,188,195	29,750,361	4.1%
2033	3,356,696	90,000	8,201,488				11,648,183	23,611,302	4.1%
2034	3,507,747	90,000	8,529,547				12,127,294	16,658,676	4.1%
2035	3,665,596	90,000	8,870,729				12,626,325	8,815,922	4.1%
2036	3,830,548	90,000					3,920,548	0	

FY15 appropriation maintained at the same level as the current schedule.

Appropriation payments assumed to be made August 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Total Cost increases 5.0% per year to 2020. Then UAL is amortized on a 4.0% increasing basis through FY35.